

**ENERGY STORAGE ASSET TAX CREDIT**

2021 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Stephen G. Handy**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE****General Description:**

This bill enacts an income tax credit related to the purchase of an energy storage asset.

**Highlighted Provisions:**

This bill:

- defines terms; and
- enacts a refundable corporate and individual tax credit for the purchase of an energy storage asset for commercial or industrial use.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation.

**Utah Code Sections Affected:**

ENACTS:

**59-7-626**, Utah Code Annotated 1953

**59-10-1113**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **59-7-626** is enacted to read:

**59-7-626. Refundable tax credit for energy storage assets.**

(1) As used in this section:



(a) "Commercial use" means the same as that term is defined in Section [59-12-102](#).

(b) "Energy storage asset" means property that stores energy generated by mechanical, chemical, thermal, or photovoltaic means for use at a later time.

(c) "Industrial use" means the same as that term is defined in Section [59-12-102](#).

(d) "Office" means the Office of Energy Development created in Section [63M-4-401](#).

(2) Subject to the other provisions of this section, a taxpayer may claim a refundable tax credit with respect to an energy storage asset if the taxpayer:

(a) purchases an energy storage asset for any of the following uses in the state:

(i) commercial use; or

(ii) industrial use; and

(b) obtains a written certification from the office in accordance with Subsection (4).

(3) A tax credit under this section is equal to the lesser of:

(a) 20% of the purchase price of the energy storage asset; or

(b) \$100,000.

(4) (a) Before a taxpayer may claim a tax credit under this section, the taxpayer shall obtain a written certification from the office.

(b) Subject to Subsection (4)(c), if the office determines that a taxpayer meets the requirements of this section to receive a tax credit, the office shall issue the taxpayer a written certification that:

(i) states that the taxpayer qualifies for the tax credit; and

(ii) shows the amount of the tax credit.

(c) The office may not issue a written certification under this section if the aggregate value of the tax credits provided in written certifications issued under this section and Section [59-10-1113](#) would exceed \$300,000 for the fiscal year.

(d) A taxpayer that obtains a written certification from the office shall retain the certification for the same time period a person is required to keep books and records under Section [59-1-1406](#).

(e) At least annually, the office shall submit to the commission an electronic list of:

(i) each taxpayer to whom the office issued a written certification; and

(ii) for each taxpayer, the amount of the tax credit listed on the written certification.

(5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

office may make rules related to determining:

(a) whether a taxpayer qualifies for a tax credit under this section; and

(b) the amount of the tax credit for which the taxpayer qualifies under this section.

(6) (a) The tax credit described in this section is allowed only for the taxable year in which the purchase of the energy storage asset occurs.

(b) A taxpayer may not claim more than one tax credit under this section for each energy storage asset the taxpayer purchases.

(c) If a purchase of an energy storage asset qualifies a taxpayer for a tax credit under this section and a tax credit under Section 59-7-614, the taxpayer may claim one tax credit under each section for the same purchase.

Section 2. Section 59-10-1113 is enacted to read:

**59-10-1113. Refundable tax credit for energy storage assets.**

(1) As used in this section:

(a) "Commercial use" means the same as that term is defined in Section 59-12-102.

(b) "Energy storage asset" means property that stores energy generated by mechanical, chemical, thermal, or photovoltaic means for use at a later time.

(c) "Industrial use" means the same as that term is defined in Section 59-12-102.

(d) "Office" means the Office of Energy Development created in Section 63M-4-401.

(2) Subject to the other provisions of this section, a claimant may claim a refundable tax credit with respect to an energy storage asset if the claimant:

(a) purchases an energy storage asset for any of the following uses in the state:

(i) commercial use; or

(ii) industrial use; and

(b) obtains a written certification from the office in accordance with Subsection (4).

(3) A tax credit under this section is equal to the lesser of:

(a) 20% of the purchase price of the energy storage asset; or

(b) \$100,000.

(4) (a) Before a claimant may claim a tax credit under this section, the claimant shall obtain a written certification from the office.

(b) Subject to Subsection (4)(c), if the office determines that a claimant meets the requirements of this section to receive a tax credit, the office shall issue the claimant a written

certification that:

(i) states that the claimant qualifies for the tax credit; and

(ii) shows the amount of the tax credit.

(c) The office may not issue a written certification under this section if the aggregate value of the tax credits provided in written certifications issued under this section and Section 59-7-626 would exceed \$300,000 for the fiscal year.

(d) A claimant that obtains a written certification from the office shall retain the certification for the same time period a person is required to keep books and records under Section 59-1-1406.

(e) At least annually, the office shall submit to the commission an electronic list of:

(i) each claimant to whom the office issued a written certification; and

(ii) for each claimant, the amount of the tax credit listed on the written certification.

(5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office may make rules related to determining:

(a) whether a claimant qualifies for a tax credit under this section; and

(b) the amount of the tax credit for which the claimant qualifies under this section.

(6) (a) The tax credit described in this section is allowed only for the taxable year in which the purchase of the energy storage asset occurs.

(b) A claimant may not claim more than one tax credit under this section for each energy storage asset the claimant purchases.

(c) If a purchase of an energy storage asset qualifies a claimant for a tax credit under this section and a tax credit under Section 59-10-1014, the claimant may claim one tax credit under each section for the same purchase.

### Section 3. **Retrospective operation.**

This bill has retrospective operation for a taxable year beginning on or after January 1, 2021.